



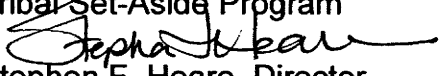
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

SEP 30 2005

OFFICE OF
WATER

MEMORANDUM

SUBJECT: Tentative Allotments for the FY2006 Drinking Water Infrastructure Grants Tribal Set-Aside Program

FROM: 
Stephen F. Heare, Director
Drinking Water Protection Division, OGWDW (4606M)

TO: Regional Drinking Water Program Managers
Regions I, II and IV through X

I'm pleased to announce that we have completed the process of gathering information necessary to calculate the tentative Regional allotments for the FY2006 Drinking Water Infrastructure Grants Tribal Set-Aside Grant Program – the Tribal component of the Drinking Water State Revolving Loan Fund (DWSRF). The allotments are based on the President's budget request of \$850,000,000 for the DWSRF program.

The Safe Drinking Water Act allows us to use up to 1½ percent of the DWSRF funds for the Tribal Set-Aside program. As in past fiscal years, our policy is to set aside the maximum allowable, which would be \$12,750,000 based on the budget request. The Regional allotments, based on the projected set-aside of \$12,750,000, are attached for your use in planning for your FY2006 Tribal program.

The allotment formula is based on the statistics contained in the most recent *Drinking Water Infrastructure Needs Survey* (DWINS) and the Indian Health Service (IHS) Sanitation Deficiency System (SDS) Funding Plan. For the FY2006 allotments we used the Tribal needs information that was contained in the recently released 2003 DWINS Report, and the IHS SDS information that was provided to us by IHS on January 28, 2005.

When we get an FY2006 Appropriation and Operating Plan, we will calculate the final FY2006 allotments. As in past years, the final allotments will be the same as the tentative allotments unless the funds we receive for the program differ from the President's budget request. Should that occur, we will recalculate the allotments, using the same input data as was used to calculate the tentative allotments. The only change will be the amount of money to be distributed.

As you may know, beginning with FY2006, we plan to use the projects funded through the Tribal Set-Aside program to measure progress toward the Agency's strategic target of reducing the number of households on tribal lands lacking access to safe drinking water and that the IHS SDS will be the source of data that will be used to measure the progress. Further, it has been agreed that tribal households lacking access to safe drinking water will be addressed by funding SDS projects that are at a Level 4 Deficiency or higher. As a result, we strongly encourage Regions to use the Tribal Set-Aside funds to address projects that are identified on the SDS and have a Deficiency Level of 4 or 5. *(This policy does not alter the existing guidance regarding recipients or methods of accomplishing a project. Tribes may, of course, receive direct grants and manage a project that is identified in SDS.)*

Please keep in mind that EPA Order 5700.7, *"Environmental Results Under Assistance Agreements"* applies to any grants made under this Tribal Set-Aside program after January 1, 2005. The Order requires EPA Program Offices to:

- 1) link proposed assistance agreements to the Agency's Strategic Plan/GPRA architecture at the goal, objective, and, where appropriate, sub-objective level;
- 2) ensure that well-defined outputs and, to the maximum extent practicable, well-defined outcomes are appropriately addressed in assistance agreement work plans and funding recommendations; and
- 3) ensure that progress in achieving agreed-upon outputs and outcomes is adequately addressed in recipient progress reports and advanced monitoring activities.

Further, while the Order does not apply to Interagency Agreements (IAGs), as IAGs are not "assistance agreements", any grants that are negotiated in conjunction with an IAG are subject to the Order. As a result, in those instances where you transfer funds for a Tribal project to the Indian Health Service through an IAG and concurrently award a grant of IHS services to the Tribe, Order 5700.7 applies to the grant, even though it does not apply to the IAG.

If you have any questions about the tentative allotments, please give me a call, or have your staff call Ray Enyeart on (202) 564-3829.

Attachment

The original attachment, which contained the "Tentative Allotments" has been removed to avoid confusion. The FY2006 Appropriation for the DWSRF program was slightly less than the amount requested in the Budget. As a result, the amount available to be set aside for the Tribal program was less than anticipated, and the subsequent amounts available to each Region under the Tribal program had to be recalculated. The guidance contained in this memo, however, remains the guidance for all FY2006 grant awards made under the Tribal Set-Aside program.